

## **3 FAH-1 H-3250 OFFICIAL RESIDENCE EXPENSES (ORE)**

*(CT:POH-153; 06-22-2012)  
(Office of Origin: HR/ER/WLD)*

### **3 FAH-1 H-3251 ACCOUNTS CHARGEABLE FOR EXPENSES OF AN OFFICIAL RESIDENCE**

#### **3 FAH-1 H-3251.1 Funding**

*(TL:POH-084; 08-02-2002)  
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)  
(Applies to Foreign Service and Civil Service employees)*

ORE are chargeable to the post's operating expense fund (e.g., for the Department of State, the Diplomatic and Consular Programs (DCP) allotment). Subobject codes used for charging ORE for principal representatives are contained in 4 FAH-1 H-613.

#### **3 FAH-1 H-3251.2 Funding From Other Sources**

*(TL:POH-084; 08-02-2002)  
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)  
(Applies to Foreign Service and Civil Service employees)*

Expenses of operating an official residence are not chargeable solely as an ORE. For example, where applicable, individual agency appropriations should be used to provide alternative methods of funding for some or all of the expenses identified in DSSR 451 through 453 or 3 FAM 3255.2 through 3255.5 (e.g., household furnishings provided by the Overseas Building Operations Program). Routine maintenance and repair funds can be used for U.S. Government-owned or long-term lease properties and salary and expenses (S&E), or diplomatic and consular programs (DCP) funds for short-term lease properties. Expenditures funded by alternative methods, as described above, will not be considered in calculating the cost of ORE.

### **3 FAH-1 H-3252 ORE HOUSEHOLD STAFF**

### 3 FAH-1 H-3252.1 General

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. Agencies abroad should jointly develop and issue a statement outlining requirements and criteria for hiring ORE household staff. These statements should assure that principal representatives treat their household staff fairly and provide them employment conditions that conform to local law and customs in the host country.
- b. Post must obtain a pre-employment suitability and/or security certification from the regional security officer (RSO) for any candidate for employment as a household staff member. Periodic re-certifications shall also be required as determined by the RSO.

### 3 FAH-1 H-3252.2 Employment Status of Household Staff

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. Household staff who work as ORE employees are neither Federal employees nor employees of the U.S. mission. They are employees of the principal representative in whose home they work.
- b. The lack of an employee and/or employer relationship with the Federal government should be clearly understood by both administrative staff as well as the ORE household staff when they are hired and pointed out periodically during their employment.

### 3 FAH-1 H-3252.3 Official Residence Expense Reimbursement

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. The designated principal representative may be reimbursed from ORE funds as provided in the following sources:
  - (1) DSSR 411, paragraph c (unusual expenses which a principal representative is obligated to incur in the operation and maintenance of a suitable official residence). Expenses must be in excess of the usual expenses incident to the operation and maintenance of the residence he or she would occupy if he or she were serving at the post in any other capacity, or 3 FAM 3251.3, paragraph d; and

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- (2) DSSR 451, paragraph a (wages and maintenance of household staff) or 3 FAM 3255.2, paragraph a, for those household staff members whose salaries are properly reimbursable or payable from ORE funds.
- b. Claims for reimbursement payments of fringe benefits made to or on behalf of official residence staff members are shown on ORE vouchers as a household staff member's maintenance expense.

### **3 FAH-1 H-3252.4 Retirement Coverage**

#### **3 FAH-1 H-3252.4-1 Host Government Social Insurance System**

*(CT:POH-147; 03-01-2011)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. Coverage Normally Mandatory
  - (1) Principal representatives who have household staff will normally provide for retirement coverage for their household employees through participation in a host government social insurance system, which includes retirement benefits. This should be done even where a mission does not participate in the local system on behalf of its locally employed staff (LE staff), unless the household staff members are not foreign nationals or permanent residents of the host country and are covered under the social security laws of another country; and
  - (2) The principal representative, as the employer, is responsible for arranging for retirement coverage and for making payments of the employer's share of the contribution to the retirement fund, except where it is local practice for the domestic employee to do so.
- b. Guidance: The ranking officers or their designees of the Department of State, USAID, BBG, Commerce, and Foreign Service Corps-USDA establishments' abroad in a country should jointly develop guidelines governing individual employer participation in a local retirement system on behalf of household staff.
- c. Host Government Laws Do Not Permit Coverage: Where host government laws do not permit an individual employer to cover ORE household staff members under the local social insurance plan, the mission should investigate the possibility of ORE household staff members participating individually on a voluntary basis.
- d. Payment of Contributions:
  - (1) The employee's portion of the contribution will normally be deducted from the employee's pay.
  - (2) If it is customary for employees to make their own payments, principal representatives will assure themselves to the extent practicable that such

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payments are being made regularly.

### **3 FAH-1 H-3252.4-2 Post's Pension Plan**

*(CT:POH-147; 03-01-2011)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. In localities where the post has established a private pension benefits plan for locally employed staff (LE staff), principal representatives designated to receive ORE funds should investigate with the post the feasibility of covering their employees under the post's plan. The insurer may agree to include such employees under the post's plan by rider to the post's contract. In such an instance, the rider should clearly specify that the principal representative of each affected ORE household staff employee, not the U.S. Government, is liable for the payment of premiums and assumes all other employer obligations under the terms of the contract. The rider should also state that the individual principal representative would send the premium payments directly to the insurer.
- b. Before placing ORE household staff under a post's pension plan, the mission should keep in mind that not all situations which make post participation in the local social security system infeasible also make individual participation infeasible.
- c. Coverage under post pension plans rather than local social security should be limited to instances in which either no social security system is available or individual participation is not possible.

### **3 FAH-1 H-3252.5 Health Insurance Coverage**

#### **3 FAH-1 H-3252.5-1 Employer Responsibility**

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

It is the individual responsibility of the principal representative designated to receive ORE funds to provide, as an employer, health insurance to their household employees in localities where it is the prevailing practice of private individuals to provide such protection to their ORE household staff.

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**3 FAH-1 H-3252.5-2 Sources of Coverage**

*(CT:POH-147; 03-01-2011)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. Host Government Social Insurance System: 3 FAH-1 H-3252.4-1 applies to those localities where health protection is an integral part of the host government's social insurance system.
- b. Post Health Insurance Plan: Some posts have secured group health insurance coverage for their locally employed staff (LE staff) through a private insurance carrier. Guidance under n 3 FAH-1 H-3252.4-2 on retirement coverage is also applicable to post health insurance plans concluded with a private insurance carrier.

**3 FAH-1 H-3252.6 Severance Pay**

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. Severance pay for ORE household staff may be reimbursed or paid from ORE funds to the extent that such payment is consistent with local law and prevailing practice.
- b. Before any reimbursements or payments of severance pay for ORE household staff are made from ORE funds, the post must determine the following:
  - (1) Whether severance pay for household staff members is the practice at embassies of other governments or at foreign business firms;
  - (2) What other circumstances or conditions of service affect severance pay granted household staff domestics of other embassies or firms; and
  - (3) The customary amounts of severance pay given to household staff members by other embassies or firms.
- c. Principal representatives are responsible for all severance payments due to all ORE household staff members for the period of their employment or upon termination of the employee.
- d. In order to qualify for an ORE, the amount of severance pay should not exceed the amount determined to be customary. Amounts in excess of what is determined to be customary will be considered as a personal expense, and if already reimbursed, will be recoverable as a personal expense erroneously paid from official funds. If the customary severance pay in the country is the same for household staff as for other workers, the embassy's severance pay plan may be a useful guide in determining appropriate payments for the person who terminates an ORE household staff member's employment.
- e. All reimbursement or payments of severance pay from the official residence

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allowance are subject to availability of funds at the post.

### **3 FAH-1 H-3252.7 Principal Representatives' Employment of Foreign Nationals of Designated Countries**

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

- a. Principal representatives may not bring any foreign nationals of any country on the Designated Countries List to any other country as an ORE household staff member or in any other capacity unless advance written permission is obtained from:

State	Under Secretary for Management through the Assistant Secretary for Diplomatic Security;
BBG	Director of Personnel through the Director, Office of Security;
USAID	Director of Human Resources through the Inspector General, Office of Security;
Foreign Service Corps USDA	FAS: Assistant Administrator Management; APHIS: Deputy Administrator, International Services
Commerce	Assistant Secretary for Administration through the Director, Office of Security.

- b. Contact the Regional Bureau for assistance.
- c. Approving officers may seek assistance from the Bureau of Consular Affairs concerning matters of reciprocity.

### **3 FAH-1 H-3252.8 Employment of Non-Host Country Citizens**

#### **3 FAH-1 H-3252.8-1 General**

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)*

*(Applies to Foreign Service and Civil Service employees)*

While non-host country citizens may be hired as ORE household staff members, in many countries this is a very sensitive issue. Host country governments may feel rightly that a host citizen may be qualified and available for such a position and therefore make it difficult, if not impossible, to obtain visas and work permits for a non-host country ORE household staff member. Well in advance of anticipated



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arrival at post, the principal representative should consult the administrative office for any restrictions, special requirements and specific procedures for obtaining a host country visa for the non-host country citizen ORE household staff member.

### **3 FAH-1 H-3252.8-2 Payment of Travel Expenses**

*(TL:POH-084; 08-02-2002)*

*(Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA) (Applies to Foreign Service and Civil Service employees)*

- a. The fact that the non-host country ORE household staff members' wages include travel costs to and/or from the place where work is to be performed must be clearly stated in the employment contract or agreement. The amount of the travel expenses must also be separately identified in the work contract.
- b. Posts which establish a need to employ an ORE household staff member from outside the country (which also involves travel costs for the individual) must certify, in writing, that there are no ORE household staff available locally to perform the specific function for which hired.
- c. For the Department of State, the written certification and other appropriate documentation should be forwarded to the Bureau of International Organization Affairs (IO) or the Regional Bureau Executive Director who is responsible for ensuring that the need has been adequately documented and justified. No international travel expenses can be considered for reimbursement for ORE household staff members until after the request has been reviewed and approved. A copy of the certification and supporting documentation used by the post to establish the need to employ ORE household staff members from outside the host country must also be maintained in the post's file for subsequent review as necessary. If a certification cannot be made, all travel expenses will be the personal responsibility of the principal representative.

### **3 FAH-1 H-3253 ORE ELECTION**

*(TL:POH-084; 08-02-2002)*

*Uniform State/USAID/BBG/Commerce/Foreign Service Corps-USDA)  
(Applies to Foreign Service and Civil Service employees)*

- a. Refer to 3 FAM 3254 for basic guidelines.
- b. If the principal representative chooses not to contribute the three and one-half percent of his or her salary when projected costs are less than his or her contribution, he or she should notify the responsible bureau's Executive Office, via memorandum, of the election. A sample memorandum follows below:

<b>SAMPLE MEMORANDUM</b>
"I (name) opt not to contribute the three and one-half percent of my salary. I understand that I can reevaluate my decision, and, if needed, elect the three and one-half percent contribution of my salary in January of the following calendar

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year."
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- c. In a calendar year, starting January of each year, the principal representative can review his or her ORE expenditures to determine if he or she wants to opt out for the new year.

### **3 FAH-1 H-3254 THROUGH H-3259 UNASSIGNED**